

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**DOCKET NOS. 2004-146-C & 2008-249-C**

<b>IN RE:</b>	)
	)
<b>APPLICATION OF AFFORDABLE PHONE</b>	)
<b>SERVICES, INC., dba AFFORDABLE WIRELESS,</b>	)
<b>FOR DESIGNATION AS AN ELIGIBLE</b>	)
<b>TELECOMMUNICATIONS CARRIER IN THE</b>	)
<b>STATE OF SOUTH CAROLINA AND FOR</b>	)
<b>APPROVAL TO MODIFY ITS DBA DESIGNATION</b>	)

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**DIRECT TESTIMONY OF JOSEPH FERNANDEZ**

**ON BEHALF OF**

**AFFORDABLE PHONE SERVICES, INC.,**

**dba AFFORDABLE WIRELESS**

**PUBLIC VERSION**

1    **Q.    PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2    A.    My name is Joseph Fernandez. I am a consultant of Affordable Phone Services, Inc.,  
3        doing business as Affordable Wireless (“Affordable Wireless,” “Affordable Phone,” or  
4        “Company”). My business address is 2855 SE 58<sup>th</sup> Avenue, Ocala, Florida 34471

5    **Q.    PLEASE    BRIEFLY    DESCRIBE    YOUR    BACKGROUND    AND**  
6        **QUALIFICATIONS.**

7    A.    I have received a high school diploma and served three years as an enlisted non-  
8        commissioned officer for the United States Marine Corps. After receiving an honorable  
9        discharge, I worked in retail as a sales manager for a number of years. I then owned and  
10       operated Ocala Computer Consulting, Inc. I then went to work for Affordable Phone  
11       Services, Inc., where I was there for ten years, before leaving to open my own  
12       telecommunications consulting firm.

13   **Q.    PLEASE    DESCRIBE    YOUR    CURRENT    POSITION    AND    ITS**  
14        **RESPONSIBILITIES.**

15   A.    I am a consultant for Affordable Wireless and handle negotiations with ILECs and  
16        RBOCs. Once negotiations are complete, I learn and implement the specific provisioning  
17        processes for the ILECs and RBOCs. I am also responsible for regulatory matters with  
18        state public service commissions. In addition, I am the personal liaison between the  
19        owner of Affordable Phone Services, Inc. and the state public service commissions.

20   **Q.    WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

21   A.    The purpose of my testimony is to discuss Affordable Wireless’ request that its ETC  
22        designation be amended to include its provision of wireless service for the purposes of

1 receiving federal universal service "Lifeline and Link-up" support, and why such  
2 designation will serve consumers and the public interest generally. I would like to  
3 incorporate by reference into this Testimony Affordable Wireless' application to amend  
4 its designation filed in this Docket. I will also provide testimony in regard to our request  
5 to modify our "doing business as" designation.

6 **Q. PLEASE DESCRIBE THE COMPANY**

7 A. Yes. Affordable Wireless was incorporated in the State of Florida as "High Tech  
8 Communications of Central Florida, Inc." on May 1, 1993. The legal name of the  
9 corporation was changed to Affordable Phone Services, Inc. on September 25, 2003. The  
10 Company continued to do business as "High Tech Communications" in addition to  
11 Affordable Phone Services after the name change. On October 13, 2004, in Order  
12 Number 2004-497, the Public Service Commission of South Carolina ("Commission")  
13 granted Affordable Wireless a Certificate of Public Convenience and Necessity to provide  
14 local exchange telecommunications services in South Carolina.

15 **Q. DOES THE COMPANY INTEND TO CONTINUE MARKETING UNDER THE**  
16 **DBA DESIGNATION, "HIGH TECH COMMUNICATIONS?"**

17 A. No. We intend to market our services using our legal name "Affordable Phone Services,  
18 Inc." and the dba designation "Affordable Wireless." As a result, we are requesting that  
19 the Company's certification order be amended to reflect the name change Affordable  
20 Phone Services, Inc., doing business as Affordable Wireless. High Tech  
21 Communications, Inc. now sells and installs voice and data systems and hardware to  
22 business clients. Joel and Ersilia Leonard own both companies.

1    **Q.     WHAT IS THE NATURE OF AFFORDABLE PHONE’S ETC DESIGNATION**  
2       **REQUEST?**

3    A.     Affordable Wireless requests to amend its ETC designation in South Carolina to include  
4           wireless services for the limited purpose of participating in the federal Universal Service  
5           Fund’s (“USF”) Lifeline and Link-up programs.

6    **Q.     WHAT TYPES OF SERVICES DOES THE COMPANY PROVIDE?**

7    A.     In addition to its current wireline service offerings, Affordable Wireless will provide  
8           prepaid wireless services. The Company will market to both Lifeline and non-Lifeline  
9           wireless customers.

10   **Q.     HOW ARE THE COMPANY’S WIRELESS SERVICES DIFFERENT FROM**  
11       **OTHER CARRIERS’ OFFERINGS?**

12   A.     We will provide qualified Lifeline customers with 75 minutes of local and long distance  
13           each month. The plan includes a free handset, caller ID, call waiting, call forwarding, 3-  
14           way calling and voicemail.

15   **Q.     CAN LIFELINE WIRELESS CUSTOMERS PURCHASE ADDITIONAL**  
16       **MINUTES?**

17   A.     Since filing our application, Affordable Wireless found a less expensive source for  
18           additional wireless minutes so we have reduced the proposed price. In addition to the 75  
19           minutes, Lifeline customers can purchase additional airtime replenishment cards in the  
20           following denominations:

21       \$6.99           75 additional minutes

22       \$13.99          150 additional minutes

1           \$24.99           300 additional minutes.

2           Affordable Wireless has also updated its policy so that if the Lifeline customer does not  
3           use all 75 minutes, any unused minutes will roll over from month to month. A copy of  
4           proposed tariff pages for the Lifeline and Link-up wireless serving offering is attached as  
5           **Exhibit 1.**

6   **Q.   HOW WILL CUSTOMERS SIGN UP FOR SERVICE?**

7   A.   The applicants can contact Affordable Wireless via a toll free telephone number. A sales  
8           representative will then process their order, by completing a sign-up form which includes  
9           relevant eligibility criteria. This form can also be downloaded from the website,  
10          completed, and faxed into the Affordable Wireless office. A copy of the sample form is  
11          attached as **Exhibit 2.**

12   **Q.   HOW DOES AFFORDABLE WIRELESS VERIFY OR CERTIFY THAT A**  
13          **CUSTOMER IS ELIGIBLE TO PARTICIPATE IN THE LIFELINE PROGRAM?**

14   A.   Consistent with Federal requirements, Affordable Phone requires customers to self-certify  
15          at the time of service activation and annually thereafter that they (1) are the head of  
16          household; (2) participate in one of the state approved means tested programs; (3) will be  
17          receiving Lifeline-supported services only from Affordable Phone; (4) do not currently  
18          receive Lifeline support; and (5) will notify Affordable Phone in the event that they no  
19          longer participate in the qualifying program. The company will use various methods of  
20          verifying a consumer's eligibility for Lifeline credit. The consumer will need to have a  
21          signed lifeline form turned in to the company, and the consumer will need to show proof  
22          of eligibility via Food Stamp card, SSI stub, W-2, the information of which the company

1 will view only to determine eligibility, but will not store. A letter of authorization from  
2 the case worker will also provide proof of eligibility. None of which will replace the  
3 signed Lifeline form that will stay on file for 5 years, and be updated annually with the  
4 customer.

5 **Q. HOW MANY SOUTH CAROLINA LIFELINE AND LINK-UP CUSTOMERS**  
6 **DOES THE COMPANY CURRENTLY SERVE?**

7 A. On December 19, 2008, the Commission issued Order Number 2008-833 designating  
8 Affordable Phone Services, Inc. as an eligible telecommunications carrier throughout the  
9 non-rural BellSouth/AT&T-South Carolina service territories in order to provide Lifeline  
10 and Link-up to our qualifying customers. We presently serve 6,123 Lifeline customers in  
11 South Carolina. As of December 31, 2009, Affordable Phone Services had 8,546  
12 customers that had received Link Up assistance in South Carolina.

13 **Q. HAS THE COMPANY BEEN CERTIFIED AS AN ETC IN ANY OTHER STATE?**

14 A. Yes, in addition to South Carolina, Affordable Phone Services is currently designated as  
15 an ETC in North Carolina, Kentucky, Florida, Louisiana and Alabama. The Company  
16 recently received wireless ETC designation in Louisiana.

17 **Q. DOES THE COMPANY CURRENTLY OFFER WIRELESS LIFELINE SERVICE**  
18 **AS AN ETC IN OTHER STATES?**

19 A. We have our wireless ETC designation in Louisiana, but have not yet started provided  
20 service.

21 **Q. ARE APPLICATIONS PENDING IN ANY OTHER STATES?**

22 A. No.

1 **Q. HAVE ANY APPLICATIONS FOR WIRELESS ETC DESIGNATION BEEN**  
2 **DENIED IN ANY OTHER STATES?**

3 A. No.

4 **Q. DOES THE COMPANY CURRENTLY PROVIDE ANY WIRELESS SERVICES**  
5 **IN SOUTH CAROLINA?**

6 A. No. We do intend to provide non-Lifeline wireless and Lifeline wireless services.

7 **Q. DOES AFFORDABLE WIRELESS CURRENTLY REMIT 911 FEES IN SOUTH**  
8 **CAROLINA?**

9 A. Yes, we currently collect and remit 911 fees and surcharges associated with our wireline  
10 service offering.

11 **Q. DOES AFFORDABLE WIRELESS SATISFY THE FEDERAL CRITERIA FOR**  
12 **ETC DESIGNATION USING WIRELESS MODALITY?**

13 A. Yes, Affordable Phone is a common carrier for purposes of obtaining ETC designation  
14 under 47 U.S.C. Section 214(e)(1). We will provide all of the following supported  
15 services required by 47 CFR Section 54.101(a) using a combination of our facilities and  
16 resale of other CMRS service providers' services: (1) voice-grade access to the public  
17 switched network; (2) local usage; (3) dual tone multi-frequency signaling or its  
18 functional equivalent; (4) single-party service or its functional equivalent; (5) access to  
19 emergency services; (6) access to operator services; (7) access to interexchange services;  
20 (8) access to directory assistance; and (9) toll limitation for qualifying low-income  
21 consumers.

1 **Q. PLEASE DESCRIBE HOW THE COMPANY WILL PROVISION THE**  
2 **SERVICES FOR WHICH IT SEEKS ETC DESIGNATION.**

3 A. All customers will be provided at minimum the 9 required services per the federal lifeline  
4 guidelines. Directory assistance will be provided via affordable's own facilities, per the  
5 network schematic which is attached as **Exhibit 3** and filed under seal as Confidential.  
6 Affordable will be provisioning service through use of an underlying carrier (Sprint &  
7 Verizon). The service from this carrier will be provided by Telispire/Zefcom. Telispire is  
8 an MVNO that provides operational support systems and also negotiates with carriers for  
9 bulk minute pricing.

10 Our interpretation of federal regulation 47 CFR 54.101 supports our assertion that several  
11 of the nine designated service functionalities (section A) supported by the FUSF  
12 mechanisms are provided for all customers via our owned facilities (section E) without  
13 regard to specific technology (section H) or whether facilities are located within the  
14 relevant service area (section G).

15 **Q. PLEASE DESCRIBE THE COMPANY-OWNED FACILITIES THAT WILL BE**  
16 **USED TO PROVIDE WIRELESS LIFELINE SERVICE.**

17 A. Affordable Wireless will own a network access controller switch that will receive and  
18 route its directory assistance traffic. Please see Confidential **Exhibit 3** schematic for an  
19 outline of how this network access controller switch will route directory assistance traffic.

20 **Q. DOES AFFORDABLE WIRELESS SATISFY THE COMMISSION'S**  
21 **REQUIREMENTS FOR INITIAL DESIGNATION AS AN ETC PURSUANT TO**  
22 **26 S.C. CODE REGS. 103-690?**



1 A. Yes.

2 **Q. FEDERAL AND STATE LAW REQUIRES A CARRIER TO OFFER ITS**  
3 **SERVICE THROUGHOUT A PROPOSED ETC SERVICE AREA IN RESPONSE**  
4 **TO ALL REASONABLE REQUESTS FOR SERVICE. HOW DOES THE**  
5 **COMPANY PROPOSE TO ACCOMPLISH THIS IN SOUTH CAROLINA?**

6 A. Affordable Wireless' commitment is to respond immediately to all reasonable requests  
7 for service and to offer its service throughout its proposed ETC service area as required  
8 by S.C. Code Regs. 103-690(C)(a)(1)(A). If we determine that we cannot serve the  
9 customer, then we will report the unfulfilled request to the Commission as required.

10 **Q. HOW LONG DO YOU EXPECT IT TO TAKE TO PROVISION SERVICE TO A**  
11 **CUSTOMER?**

12 A. Customers will be provisioned within 24-48 hours of receiving Lifeline information.

13 **Q. WHAT FACTS SUPPORT A FINDING THAT THE COMPANY HAS THE**  
14 **CAPABILITY AND COMMITMENT TO OFFER AND ADVERTISE ITS**  
15 **SERVICES THROUGHOUT ITS PROPOSED ETC SERVICE AREA?**

16 A. We incorporate by reference our advertising and outreach plan previously filed with the  
17 original application. We have successfully obtained 6,123 customers in South Carolina  
18 with our advertising plan and will continue to advertise our wireless and wireline services  
19 through several different media of general distribution. Samples of an advertisement that  
20 will be used in print media such as the Green Sheet and the Penny Saver and a direct mail  
21 campaign advertisement are attached as **Exhibit 4**.

1     **Q.     IN THE INITIAL APPLICATION, AFFORDABLE WIRELESS SUBMITTED AN**  
2           **ADVERTISING AND OUTREACH PLAN IN WHICH IT STATES THAT THE**  
3           **COMPANY WOULD CONTACT EXISTING CUSTOMERS TO DETERMINE**  
4           **ELIGIBILITY FOR PARTICIPATION IN THE LIFELINE PROGRAM. PLEASE**  
5           **DESCRIBE THE COMPANY'S PLANS IN REGARD TO ITS WIRELESS**  
6           **SERVICES.**

7     A.     As required by 26 S.C. Code Regs. 103-690(C)(a)(1)(C) Affordable Wireless submitted a  
8           two year plan for advertising and outreach as part of its initial application on October 23,  
9           2008. We indicated that we would use USAC's Consumer Outreach Lifeline and Link  
10          Up letter as a billing insert to its existing customer base. A copy is attached as **Exhibit 5**.  
11          Approximately 30 days after the billing insert has been sent, Affordable Wireless  
12          Connection will send a stand-alone notice of the same via U.S. mail to each active non-  
13          responding customers.

14    **Q.     PLEASE DESCRIBE HOW THE COMPANY INTENDS TO ADVERTISE THE**  
15           **AVAILABILITY OF ITS LIFELINE AND LINK-UP SERVICES IN SOUTH**  
16           **CAROLINA.**

17    A.     Affordable Wireless will advertise the availability of our services throughout our  
18           proposed service area using print media and direct mail campaigns. Affordable Wireless  
19           will post company-specific Lifeline and Link up information on its Affordable Wireless  
20           website as well as on USACs Low Income consumer website.

1   **Q.    HOW WILL THE COMPANY SATISFY 26 S.C. CODE REG. 103-690(C)(a)(2)’S**  
2       **REQUIREMENT THAT IT REMAIN FUNCTIONAL IN EMERGENCY**  
3       **SITUATIONS?**

4    A.   Affordable Wireless will provide its customers the same ability to remain functional in  
5       emergency situations as currently provided by the underlying carrier to its own customers,  
6       including access to a reasonable amount of back-up power, rerouting of traffic around  
7       damaged facilities, and the capability of managing traffic spikes resulting from  
8       emergency situations.

9   **Q.    PLEASE DESCRIBE AFFORDABLE WIRELESS’S CONSUMER PROTECTION**  
10       **AND SERVICE QUALITY STANDARDS.**

11   A.   Affordable Wireless will satisfy appropriate consumer protection and service quality  
12       standards. As part of the requirements for providing local exchange services, Affordable  
13       Wireless is required to abide by and satisfy all service quality and consumer protection  
14       rules under 26 S.C. Code Regs. 103-690(C)(a)(3), including filing of quality of service  
15       reports with the Commission. In addition, we commit to satisfying all such applicable  
16       state and federal requirements related to consumer protection and service quality  
17       standards.

18   **Q.    DOES AFFORDABLE WIRELESS OFER A LOCAL USAGE PLAN THAT IS**  
19       **COMPARABLE TO SERVICE PLANS OFFERED BY THE INCUMBENT**  
20       **CARRIERS PURUSANT TO S.C. CODE REGS. 103-690(C)(a)(4)?**

21   A.   We provide our Lifeline customers with an additional \$3.50 credit so that federal  
22       matching monies can be maximized. This results in a Lifeline credit of \$13.50 per month

1 which is consistent with the credit offered throughout the service areas of AT&T. The  
2 FCC's and Commission's regulations do not require ETCs to offer a specific amount of  
3 local usage or mandate a minimum number of minutes. The FCC reviews all aspects of  
4 the plan on a case-by-case basis that includes the nature of the supported services, the size  
5 of the local calling area, the inclusion of additional services, and the amount of local  
6 usage.<sup>1</sup> A carrier satisfies the local usage requirements when it offers rate plans  
7 containing varying amounts of local usage.<sup>2</sup> Affordable Wireless' proposed wireless  
8 Lifeline offering is comparable to AT&T's plans. As discussed earlier, Affordable  
9 Wireless provides 75 minutes per month at no charge. These free minutes can be used to  
10 place calls statewide since the company does not impose a local calling area requirement.  
11 Other features like caller ID and voicemail are included at no cost.

12 **Q. DID AFFORDABLE WIRELESS FILE AN AFFIDAVIT WITH ITS**  
13 **APPLICATION IN REGARD TO CERTAIN CERTIFICATIONS REQUIRED BY**  
14 **THE COMMISSION'S REGULATIONS?**

15 A. Yes. The President, Joel Leonard, attached an affidavit to the application consistent with  
16 the regulations. In it he certified that Affordable Wireless acknowledges that the Federal  
17 Communications Commission may require the company to provide equal access to long  
18 distance carriers in the event no other ETC is providing equal access within the service  
19 area. He also certified that Affordable Wireless offers the services that are supported by  
20 the federal universal service support mechanisms by its own facilities or a combination of

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<sup>1</sup> See *Federal-State Joint Board on Universal Service*, Report and Order, 20 FCC Rcd 6371, 6385 (2005).  
<sup>2</sup> See, *Farmers Cellular, Inc.*, 18 FCC Rcd 3848, 3852 (2003); *Pine Belt Cellular, Inc. and Pine Belt PCS, Inc.* 17 FCC Rcd 9589, 9593 (2002).

1           our facilities and the resale of another carriers' services and that the company will  
2           advertise in a media of general distribution the availability of such services including  
3           lifeline and the applicable charges.

4   **Q.   DOES THE COMPANY SERVICE PROMOTE AFFORDABLE TELEPHONE**  
5   **SERVICE?**

6   A.   Yes. Affordable Wireless continuously seeks ways to pass on added value and special  
7           promotions. Our goal is to provide low income customers with the most affordable  
8           telephone service. ETC certification will allow Affordable Wireless to market reduced  
9           pricing options to the consumer.

10 **Q.   WILL LIFELINE ELIGIBLE CUSTOMERS BE ALLOWED TO CHOOSE TOLL**  
11 **BLOCKING SERVICE IN SOUTH CAROLINA?**

12 A.   Affordable Phone's wireless service offerings does not distinguish between local and toll  
13           calls. The prepaid wireless service is not distance-sensitive and there are no separate  
14           charges for domestic long distance services. The wireline service offering provides toll  
15           limitation for Lifeline eligible customers. As a result, no TLS reimbursement will be  
16           sought for wireless service offerings. If Affordable Phone changes its wireless offering  
17           for any reasons, it will meet the toll limitation requirement by providing toll blocking.

18 **Q.   DO AFFORDABLE WIRELESS' CUSTOMERS HAVE ACCESS TO**  
19 **COMPETITIVE DIRECTORY ASSISTANCE PROVIDERS?**

20 A.   Affordable Wireless provides customers with access to free directory assistance service  
21           through the use of direct dial local access numbers. Customers also have access to ILEC  
22           provided directory assistance at competitive rates.

1    **Q.    WILL THE COMPANY COMPLY WITH THE COMMISSION'S ORDERS**  
2       **REGARDING TO PROVISION OF INTEREXCHANGE AND LOCAL**  
3       **SERVICES?**

4    A.    Yes. Affordable Wireless will, at all times, provide and market services in accordance  
5       with applicable Commission rules and orders. In addition, Affordable Wireless at all  
6       times will provide interstate services in compliance with all FCC rules and regulations.

7    **Q.    WHAT LIFELINE AND LINK-UP DISCOUNTS WILL CONSUMERS RECEIVE**  
8       **IN SOUTH CAROLINA?**

9    A.    For Link-up, Affordable Wireless customers will not pay any activation fee. We will  
10       apply the \$30 Link-up credit and then waive \$30 of our normal \$60 activation fee. On  
11       Lifeline, Affordable Wireless will pass the required \$13.50 credit to all eligible  
12       customers. The Company will provide an additional \$3.50 credit in addition to the  
13       Federal \$10.00 discount to maximize the federal match.

14   **Q.    PLEASE DESCRIBE THE COMPANY'S PROPOSED ETC SERVICE AREA.**

15   A.    Affordable Wireless seeks to be designated as an ETC in wire centers of AT&T.  
16       Affordable Wireless does not request ETC designation in any rural area at this time.

17   **Q.    DOES THE COMPANY SEEK FEDERAL HIGH-COST FUNDS BY MEANS OF**  
18       **THIS APPLICATION?**

19   A.    No. Affordable Wireless is not requesting High-Cost support by means of this application  
20       for ETC designation. Affordable Wireless does not receive any High-Cost support in any  
21       of the states where Affordable Wireless is currently designated as an ETC. Affordable  
22       Wireless only receives Link-Up and Lifeline support.

1 **Q. HAS AFFORDABLE WIRELESS EVER BEEN THE SUBJECT OF AN**  
2 **INVESTIGATION BY ANY STATE OR FEDERAL REGULATORY AGENCY**  
3 **OR COMMISSION?**

4 A. No.

5 **Q. HOW WOULD THE PUBLIC INTEREST BE SERVED BY A GRANT OF ETC**  
6 **STATUS TO THE COMPANY?**

7 A. With regard to the "public interest" test for ETC status, Affordable Wireless believes that  
8 it is in a unique position to serve the "public interest" through its direct mail marketing  
9 campaigns. Our campaigns are targeted to lifeline eligible consumers, and it has been our  
10 experience in other states that we reach a considerable segment of the population that  
11 other wireless companies don't reach. Affordable Wireless' Lifeline and Link-up plans  
12 will provide affordable and convenient wireless services to qualifying South Carolina  
13 customers, many of whom are otherwise unable to afford wireless services. Designation  
14 of Affordable Phone as an ETC to provide wireless Lifeline and Link-up services also  
15 promotes competition and increases the pressure on other carriers to target low-income  
16 consumers with service offerings tailored to their needs.

17 **Q. THE COMMISSION HAS ESTABLISHED ANNUAL REPORTING**  
18 **REQUIREMENTS FOR DESIGNATED ETCS. WILL THE COMPANY AGREE**  
19 **TO COMPLY WITH 26 SC CODE REGS. 103-690.1 WHICH OUTLINES THE**  
20 **REPORTING REQUIREMENTS?**

1 A. Yes. We understand that we are to file the annual reporting information outlined below  
2 with the Commission and provide a copy to the Office of Regulatory Staff by June 30<sup>th</sup> of  
3 each year for the preceding calendar year.

4 (1) a progress report on a two-year service quality improvement plan.

5 (2) detailed information on any outage of at least thirty minutes for each service area  
6 as described in the regulation;

7 Should Affordable Wireless seek ETC designation for high cost support in another  
8 proceeding, we understand that we would be required to comply with these requirements  
9 listed as (1) and (2). Because we seek ETC designation solely for purposes of Lifeline and  
10 Link-Up support, it is our understanding that these are waived at this time pursuant to 26  
11 SC Code Regs. 103-690.1(B)(b)(11). We understand that we would be required to file  
12 reports containing the information below:

13 (3) the number of requests from potential customers within the service area that were  
14 unfilled and how it attempted to provide service;

15 (4) the number of complaints or trouble reports per 1000 handsets or access lines;

16 (5) certificate that it is complying with applicable service quality standards and  
17 consumer protection rules;

18 (6) a detailed report and certification that Affordable Wireless is able to function in  
19 emergency situations;

20 (7) a certification that Affordable Wireless is offering a local usage plan comparable  
21 to that offered by the incumbent LEC in the relevant service area;



1           (8)     certification that Affordable Wireless acknowledges that the FCC may require it  
2                   to provide equal access to long distance carriers in the event that no other ETC is  
3                   providing equal access within the service area;

4           (9)     the number of Lifeline customers and the number of customers that received Link  
5                   Up assistance as of December 31<sup>st</sup>;

6           (10)    copies of responses to the Lifeline Verification Survey or Certification file with  
7                   USAC on August 31<sup>st</sup> of each year.

8           We filed the 2009 report earlier this summer.

9   **Q.     DOES THIS CONCLUDE YOUR TESTIMONY?**

10  **A.     Yes.**

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**FERNANDEZ TESTIMONY**

**EXHIBIT 1**

**WIRELESS LIFELINE/LINK-UP TARIFF PAGES**

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## Rule 22 Lifeline Program

### A. General

(i) The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service for qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket No. 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket No. 96-45, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the South Carolina Public Service Commission and as set forth in this tariff.

(ii) Lifeline is supported by the federal universal service support mechanism.

(iii) Federal baseline support of eight dollars and twenty-five cents (\$8.25) is available for each Lifeline service and is passed through to the subscriber. An additional three dollars and fifty cents (\$3.50) credit is provided by the Company. Supplemental federal support contribution will also be passed along to the Lifeline subscriber. The total Lifeline credit available to an eligible customer in South Carolina is thirteen dollars and fifty cents (\$13.50). The amount of credit will not exceed the charge for local service, which includes the access line, the Subscriber Line Charge and local usage.

### B. Regulations

#### (i) General

- a. Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
- b. One low income credit is available per household and is applicable to the primary wireless connection only. The named subscriber must be a current recipient of any of any of the low income assistance programs identified in section B(ii)(a) following.
- c. A Lifeline customer may subscribe to any wireless service offering available to other wireless customers. Since the Lifeline credit is applicable to the primary wireless connection only, it may not be applied to multiple lines.
- d. Toll blocking will be provided at no extra charge to the Lifeline subscriber.
- e. No deposit will be required of a Lifeline customer as Toll blocking is automatically enabled.
- f. Neither the Federal Universal Service Charge nor the South Carolina Intrastate Universal Service Surcharge will be billed to Lifeline customers.
- g. A Lifeline subscriber's wireless service will not be disconnected for non-payment of regulated toll charges, as toll calls are blocked by default.
- h. At no time shall a customer's Lifeline rate go below zero.

#### (ii) Eligibility

- a. To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.
  1. Temporary Assistance to Needy Families (TAW), previously known as AFDC.
  2. Food Stamps
  3. Medicaid
- b. All applicants for service are subject to verification with the state agency responsible for administration of the qualifying program.

(iii) Certification

- a. Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company within 30 days of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. When eligibility documentation is provided, the Lifeline credit will be provided on a going forward basis.
- b. The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
- c. When a customer is determined to be ineligible as a result of an audit, the Company will contact the customer. If the customer cannot provide eligibility documentation within 60 calendar days, the Lifeline credit will be discontinued.

(iv) General

- a. Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.

(v) The total Lifeline credit consists of one federal credit plus one (1) Company credit

a. Federal credit

Monthly Credit

1. Temporary Assistance to Needy Families \$10.00
2. Food Stamps \$10.00
3. Medicaid \$10.00

b. Company credit

1. All programs, one per Lifeline service \$3.50

Rule 23 Link-Up South Carolina

A. General

- (i) Link-Up is a program designed to increase the availability of telecommunications services to low income subscribers by providing a credit to the non-recurring installation and service charges to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996. Specific Terms and conditions are as prescribed by the South Carolina Public Service Commission and are as set forth in this tariff.

- (ii) Link-Up is supported by the federal universal service support mechanism.

- (iii) A federal credit amount of fifty percent (50%) of the non-recurring charges for connection of service, up to a maximum of thirty dollars (\$30.00), is available to be passed through to the subscriber.

B. Regulations

(i) General

- (a) Customers eligible under Link-Up are also eligible for monthly recurring assistance under the Lifeline program.
- (b) Link-Up connection assistance is available per household and is applicable to the primary wireless connection only.
- (c) The Link-Up credit is available each time the customer activates a new wireless line of service.
- (d) To receive the credit, proof of eligibility must be provided within 30 days after activation of service.
- (e) The total tariffed charges for activating service, including service and activation charges, are considered in the credit calculation.

(ii) Eligibility

- (a) To be eligible for a Link-Up credit, the named subscriber must be a current recipient of any of the following low income assistance programs:
  - 1. Temporary Assistance to Needy Families (TANF), previously known as AFDC
  - 2. Food Stamps
  - 3. Medicaid
- (b) All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.

(iii) Certification

- (a) Proof of eligibility in any of the qualifying low income assistance programs should be provided to the Company within 30 days of application of service. The Link-Up credit will not be established until proof of eligibility has been received by the Company.
- (b) The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Link-Up plan.

C. Rates and Charges

The federal credit available for a Link-Up connection is thirty dollars (\$30.00) maximum or fifty percent (50%) of the activation and service charges from this Tariff, whichever is less.

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**DOCKET NOS. 2004-146-C & 2008-249-C**

**IN RE:** )  
 )  
**APPLICATION OF AFFORDABLE PHONE** )  
**SERVICES, INC., dba AFFORDABLE WIRELESS,** )  
**FOR DESIGNATION AS AN ELIGIBLE** )  
**TELECOMMUNICATIONS CARRIER IN THE** )  
**STATE OF SOUTH CAROLINA AND FOR** )  
**APPROVAL TO MODIFY ITS DBA DESIGNATION** )

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**FERNANDEZ TESTIMONY**

**EXHIBIT 2**

**APPLICATION FORM**



**AFFORDABLE**  
**PHONE SERVICES**  
CALLS FOR EVERYONE!

## ***SIGN-UP FORM***

**\* = Required**

**\*Last Name:** \_\_\_\_\_ **\*First Name:** \_\_\_\_\_

**\*Address Line 1:** \_\_\_\_\_

**Address Line 2:** \_\_\_\_\_

**\*City:** \_\_\_\_\_ **\*State:** \_\_\_\_\_ **\*Zip:** \_\_\_\_\_

**\*Last 4 Digits Of Social Security Number:** \_\_\_\_\_ **\*Phone:** (XXX-XXX-XXXX) \_\_\_\_\_

***I hereby certify that I participate in the following public assistance program(s):***

- |  |   |
|--|---|
| <input type="checkbox"/> <b>Medicaid</b>                               | <input type="checkbox"/> <b>Federal Public Housing Assist. (Section 8)</b>      |
| <input type="checkbox"/> <b>Food Stamps</b>                            | <input type="checkbox"/> <b>Low-Income Home Energy Assist. Program (LIHEAP)</b> |
| <input type="checkbox"/> <b>Temp. Assist. to Needy Families (TANF)</b> | <input type="checkbox"/> <b>National School Free Lunch Program</b>              |
| <input type="checkbox"/> <b>Supplemental Security Income (SSI)</b>     |   |

***Check all the following statements that apply then sign below:***

- ☐ I certify that I have received the Link-Up discount at this residence from another carrier and I am not eligible for the discount at this time.
- ☐ I certify that I am a current recipient of the above program(s) and will notify my local telephone company when I am no longer participating in any of the above-designated program(s). I give permission to the duly authorized official(s) administering the above programs to provide to the local telephone company my participation status in any of the above program(s). I give this permission on the condition that the information on this form and any information about my participation in the above programs provided by officials be maintained by the company as confidential customer account information. I am aware that pursuant to Section 837.06, F.S., whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree.

**\*I agree to these terms and conditions:** **X** *Signature* \_\_\_\_\_

*Date* \_\_\_\_\_

***Fill this form out on your computer then print it out, or print it out and fill out by hand. Then:***

**MAIL TO:** **Affordable Phone Services**  
**PO BOX 831372**  
**Ocala, FL 34483**

**OR FAX TO:** **1-866-822-0505**



**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**DOCKET NOS. 2004-146-C & 2008-249-C**

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**APPROVAL TO MODIFY ITS DBA DESIGNATION** )

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**FERNANDEZ TESTIMONY**

**EXHIBIT 3**

**NETWORK SCHEMATIC**

**CONFIDENTIAL AND PROPRIETARY**

**FILED UNDER SEAL**

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**DOCKET NOS. 2004-146-C & 2008-249-C**

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**STATE OF SOUTH CAROLINA AND FOR** )  
**APPROVAL TO MODIFY ITS DBA DESIGNATION** )

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**FERNANDEZ TESTIMONY**

**EXHIBIT 4**

**SAMPLE ADVERTISEMENTS**

**GET A  
FREE CELL  
PHONE  
TODAY**

**75  
FREE  
MINUTES !**



**AFFORDABLE  
WIRELESS**

**You're Qualified if You Receive:**

**Medicaid**

**Food Stamps**

**Supplemental Security Income (SSI)**

**Federal Public Housing (HUD/Section 8)**

**Temporary Assistance to Needy Families (TANF)**

**Low Income Home Energy Assistance Plan (LIHEAP)**

**National School Free Lunch Program (KY Only)**

**Below Federal Poverty Level (SC Only)**

**NO CREDIT CHECK! NO DEPOSIT!**

**FREE Activation**

**FREE Handset**

**CALL: 888-XXX-XXXX**



**AFFORDABLE  
WIRELESS**

Don't let the  
**economy**  
get you down

We can help with  
**FREE**

Cellular PHONE  
SERVICE

## Includes

- FREE 75 minutes
- FREE Activation
- NO Credit Check
- NO Deposit

Limited  
Time  
offer

see back for details

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA**

**DOCKET NOS. 2004-146-C & 2008-249-C**

**IN RE:** )  
 )  
**APPLICATION OF AFFORDABLE PHONE** )  
**SERVICES, INC., dba AFFORDABLE WIRELESS,** )  
**FOR DESIGNATION AS AN ELIGIBLE** )  
**TELECOMMUNICATIONS CARRIER IN THE** )  
**STATE OF SOUTH CAROLINA AND FOR** )  
**APPROVAL TO MODIFY ITS DBA DESIGNATION** )

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**FERNANDEZ TESTIMONY**

**EXHIBIT 5**

**BILL INSERT**

## **AFFORDABLE WIRELESS**

**Lifeline, Link Up, and Toll Limitation Service support** provide discounts to eligible low-income consumers to help them establish and maintain telephone service. **Note:** Telecommunications carriers cannot charge a Lifeline customer federal USF fees on the local service portion of their telephone bill.

### ***What type of discount is available?***

**Lifeline** assistance lowers the cost of basic, monthly local telephone service. Eligible consumers can receive up to \$13.50 per month in discounts.

**Link Up** reduces the cost of initiating new telephone service. Eligible consumers can receive a 50% discount off of the one-time costs associated with initiating telephone service, up to a maximum of \$30. Eligible consumers also qualify for a deferred payment schedule for remaining costs of up to \$200.

**Toll Limitation Service (TLS)** support allows eligible consumers who wish to avoid incurring large long distance fees to choose toll blocking or toll control at no cost.

### ***How do I know whether I am eligible?***

Eligibility for Lifeline, Link Up, and TLS support *varies by state*. Individuals who reside in states that have their own discount programs qualify for federal Lifeline, Link Up, and TLS support if they meet the eligibility criteria established by their state. SC, an individual is eligible if he or she participates in one of the following programs:

- Temporary Assistance to Needy Families (TANF)
- Food Stamps
- Medicaid

## **2010 Estimated Income Requirements for a Household at or Below 135% of the Federal Poverty Guidelines**

The Universal Service Administrative Company's (USAC) web site contains state-specific Lifeline information for many companies at [www.lifelinesupport.org](http://www.lifelinesupport.org).

<b>Persons in Family or Household</b>	<b>48 Contiguous States and D.C.</b>	<b>Alaska</b>	<b>Hawaii</b>
1	\$14,621	\$18,266	\$16,821
2	\$19,670	\$24,584	\$22,626
3	\$24,719	\$30,902	\$28,431
4	\$29,768	\$37,220	\$34,236
5	\$34,817	\$43,538	\$40,041
6	\$39,866	\$49,856	\$45,846
7	\$44,915	\$56,174	\$51,651
8	\$49,964	\$62,492	\$57,456
For Each Additional Person, add	\$5,049	\$6,318	\$5,805

***How do I apply to receive Lifeline and Link Up support discounts?***

To apply for Lifeline and Link Up discounts please contact Affordable Wireless, 1-800-369-0999.

The Universal Service Administrative Company's (USAC) web site contains state-specific Lifeline information for many companies at [www.lifelinesupport.org](http://www.lifelinesupport.org).

**BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA  
DOCKET NO. 2008-249-C AND 2004-146-C**

In Re: )  
)  
APPLICATION OF AFFORDABLE )  
PHONE SERVICES, INC., dba )  
AFFORDABLE WIRELESS, FOR )  
DESIGNATION AS AN ELIGIBLE )  
TELECOMMUNICATIONS )  
CARRIER IN THE STATE OF )  
SOUTH CAROLINA AND FOR )  
APPROVAL TO MODIFY ITS DBA )  
DESIGNATION )  
)


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**CERTIFICATE OF SERVICE**

This is to certify that I, Leslie L. Allen, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the person(s) named below the **TESTIMONY OF JOSEPH FERNANDEZ (Public and Confidential Versions)** in the foregoing matter by causing a copy of same to be hand delivered, in an envelope addressed as follows:

Lessie Hammonds  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, SC 29201

Dated at Columbia, South Carolina this 12<sup>th</sup> day of August, 2010.

  
\_\_\_\_\_  
Leslie L. Allen